

AMENDED IN SENATE MAY 10, 2006

SENATE BILL

No. 1488

Introduced by Senator Hollingsworth

February 23, 2006

An act to amend ~~and repeal~~ Section 17463.6 of the Education Code, relating to school property.

LEGISLATIVE COUNSEL'S DIGEST

SB 1488, as amended, Hollingsworth. Surplus school property: use of proceeds.

Existing law, notwithstanding any other law, and subject to specified limitations, authorizes the Santee School District and the Capistrano Unified School District to sell certain surplus real and personal property, as specified, to deposit the proceeds into the general fund of the school district or the county office of education, and to use the proceeds from that transaction for any one-time general fund purpose. Existing law repeals those provisions on January 1, 2007.

This bill would expressly state that the authority includes the use of those proceeds to make the employer contribution to the defined benefit program of the retirement system of the district. ~~This~~ The bill would *also* extend the repeal date for those provisions to January 1, 2010.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 17463.6 of the Education Code is amended to read:

17463.6. (a) Notwithstanding any other law, the Santee School District and the Capistrano Unified School District may sell surplus real property, together with any personal property located thereon, purchased entirely with local funds, to any nonprofit, for profit, or governmental entity and may deposit the proceeds thereof into the general fund of the school district or county office of education; and may use the proceeds from the sale for any one-time general fund purpose, *including the use of the proceeds to make the employer contribution to the defined benefit program of the retirement system of the district*. If the purchase of the property was made using the proceeds of a general obligation bond act or revenue derived from developer fees, the amount of the proceeds of the transaction that may be deposited into the general fund of the school district or county office of education may not exceed the percentage computed by the difference between the purchase price of the property and the proceeds from the transaction, divided by the amount of the proceeds of the transaction. For the purposes of this section, proceeds of the transaction means either of the following, as appropriate:

(1) The amount realized from the sale of property after reasonable expenses related to the sale.

(2) For any transaction that does not result in a lump-sum payment of the proceeds of the transaction, the proceeds of the transaction shall be calculated as the net present value of the future cashflow generated by the transaction.

(b) The State Allocation Board shall reduce an apportionment of hardship assistance awarded to the Santee School District or the Capistrano Unified School District pursuant to Article 8 (commencing with Section 17075.10) by an amount equal to the amount of the sale of surplus real property used for a one-time expenditure of the school district pursuant to this section.

(c) If the Santee School District or Capistrano Unified School District exercises the authority granted pursuant to this section, the district is ineligible for hardship funding from the State

1 School Deferred Maintenance Fund under Section 17587 for five
2 years after the date of sale.

3 (d) Before the Santee School District or the Capistrano
4 Unified School District exercises the authority granted pursuant
5 to this section, the governing board of the school district shall
6 first submit to the State Allocation Board documents certifying
7 the following:

8 (1) The school district has no major deferred maintenance
9 requirements not covered by existing capital outlay resources.

10 (2) The sale of real property pursuant to this section does not
11 violate any provisions of a local bond act.

12 (3) The real property is not suitable to meet any projected
13 school construction need for the next 10 years.

14 (e) Before the Santee School District or the Capistrano Unified
15 School District exercises the authority granted pursuant to this
16 section, the governing board of the school district shall at a
17 regularly scheduled meeting present a plan for expending
18 one-time resources pursuant to this section. The plan shall
19 identify the source and use of the funds and describe the reasons
20 why the expenditure will not result in ongoing fiscal obligations
21 for the school district.

22 (f) This section is repealed on January 1, 2010, unless a later
23 enacted statute that becomes operative on or before January 1,
24 2010, deletes or extends the date on which it is repealed.